

Message Text

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C O N F I D E N T I A L STATE 092322

FOLLOWING REPEAT LONDON 5454 ACTION SECSTATE INFO USUN NEW
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QUOTE

C O N F I D E N T I A L LONDON 05454

E.O. 11652: XGDS-1

TAGS: UNGA, EGEN

SUBJECT: BRITISH IDEAS ON COMMODITIES

REF: LONDON 5370

SEPTTEL WILL REPORT MAITLAND'S PRESENTATION AND COMMENTS
THIS MORNING ON BRITISH IDEAS ON COMMODITIES IN CON-
NECTION WITH COMMONWEALTH CONFERENCE. FOLLOWING ARE
LISTS OF POSSIBLE GENERAL COMMITMENTS AND SPECIFIC
PROPOSALS WHICH HE GAVE US IN THIS CONTEXT. MAITLAND
EMPHASIZED THESE POINTS AND ENTIRE PRESENTATION GIVEN
IN STRICT CONFIDENCE.

QUOTE

1. GENERAL COMMITMENTS

A. TO RECOGNISE THE INTER-DEPENDENCE OF PRODUCERS
AND CONSUMERS, AND THE DESIRABILITY OF CONDUCTING TRADE
IN COMMODITIES IN ACCORDANCE WITH EQUITABLE ARRANGE-
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MENTS WORKED OUT IN AGREEMENT BETWEEN PRODUCERS AND

CONSUMERS.

B. ON THE PART OF PRODUCER COUNTRIES, TO MAINTAIN ADEQUATE AND SECURE SUPPLIES TO CONSUMER COUNTRIES.

C. ON THE PART OF CONSUMER COUNTRIES, TO IMPROVE ACCESS TO MARKETS FOR THE COMMODITIES OF INTEREST TO DEVELOPING PRODUCERS.

D. TO ESTABLISH THE PRINCIPLE THAT COMMODITY PRICES SHOULD BE EQUITABLE TO CONSUMERS AND REMUNERATIVE TO EFFICIENT PRODUCERS AND AT A LEVEL WHICH WILL ENCOURAGE LONGER-TERM EQUILIBRIUM BETWEEN PRODUCTION AND CONSUMPTION.

E. TO RECOGNISE IN PARTICULAR THE NEED TO EXPAND THE TOTAL PRODUCTION OF ESSENTIAL FOODSTUFFS.

F. TO RECOGNISE THE PRINCIPLE OF SOVEREIGNTY OVER NATURAL RESOURCES, TO BE EXERCISED WITH DUE REGARD FOR INTERNATIONAL LAW.

G. TO ESTABLISH THE PRINCIPLE OF PARITY IN CONDITIONS OF ACCESS TO RAW MATERIAL SUPPLY BETWEEN DOMESTIC AND FOREIGN USERS.

H. TO ENCOURAGE THE EFFICIENT DEVELOPMENT, PRODUCTION AND MARKETING OF COMMODITIES (MINERAL OR AGRICULTURAL) AND DIVERSIFICATION AND THE EFFICIENT PROCESSING OF COMMODITIES IN DEVELOPING COUNTRIES, INCLUDING THE IMPLEMENTATION OF EFFECTIVE PRODUCTION POLICIES AND IMPROVED QUALITY CONTROLS.

I. TO THIS END, TO ESTABLISH THE PRINCIPLE THAT

GOVERNMENTS SHOULD RESPECT CONTRACTUAL COMMITMENTS AND SAFEGUARD FOREIGN INVESTMENT AND PROVIDE PROMPT, ADEQUATE AND EFFECTIVE COMPENSATION FOR ANY ACT OF EXPROPRIATION OR NATIONALIZATION.

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2. SPECIFIC PROPOSALS

A. TO ESTABLISH BETTER EXCHANGES OF INFORMATION ON FORWARD SUPPLY AND DEMAND.

B. TO ELABORATE MORE SPECIFIC RULES TO DEFINE THE CIRCUMSTANCES IN WHICH IMPORT AND EXPORT RESTRICTIONS

MAY BE APPLIED TO COMMODITIES, AS EXCEPTIONS TO THE PRINCIPLES IN GC (B) AND (C).

C. TO EXTEND EXISTING PRODUCER ASSOCIATIONS TO INCLUDE CONSUMER REPRESENTATION.

D. TO GOVE FRESH IMPETUS TO THE JOINT EFFORTS OF PRODUCERS AND CONSUMERS TO IDENTIFY COMMODITIES APPROPRIATE TO THE CONCLUSION OF INTERNATIONAL AGREEMENTS DESIGNED TO FACILITATE THE ORDERLY CONDUCT AND DEVELOPMENT OF TRADE; TO ANALYSE COMMODITY BY COMMODITY THE APPROPRIATE MECHANISMS FOR THE REGULATION OF TRADE WITHIN THE FRAMEWORK OF SUCH AGREEMENTS (INTERNATIONAL BUFFER STOCKS, CO-ORDINATION OF NATIONALLY HELD STOCKS, PRODUCTION CONTROLS AND EXPORT QUOTAS); AND TO EXAMINE WAYS IN WHICH ANY FINANCIAL BURDEN ARISING FROM THESE MECHANISMS MAY BE APPROPRIATELY FINANCED.

E. TO AGREE THAT THE REGULATORY MECHANISMS INCORPORATED IN ANY INTERANTIONAL COMMODITY AGREEMENT WOULD BE DIRECTED TOWARDS THE MAINTENANCE OF MARKET PRICES WITHIN A RANGE NEGOTIATED IN ACCORDANCE WITH THE PRINCIPLES IN GC (D).

F. TO ESTABLISH THE FRAMEWORK OF A SCHEME FOR THE STABILIZATION OF EXPORT EARNINGS FROM COMMODITIES. (SUCH A SCHEME MIGHT INCLUDE PROVISION FOR CONCESSIONARY FINANCING DIRECTED TO ONLY THE POOREST PRODUCER COUNTRIES, TOGETHER WTH SOME LIMIT ON EXPENDITURE.) UNQUOTE RICHARDSON
UNQUOTE
KISSINGER

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